From:	Stan Sokolowski <ssokolowski@cifc.com>
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CC:	
Date:	Thu, 10/23/2014 6:19:50 PM
Subject:	Daily Update

Quote of the Day

"Successful investing is anticipating the anticipations of others." - John Maynard Keynes

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- Quiet morning. Asia was weak (on concerns of slower growth). Europe is green (on better than expected data). US futures are green. Oil is better as the Saudi's said they will reduce supply to the markets. A "shoulder-shrugger" so far

  "E's" update:

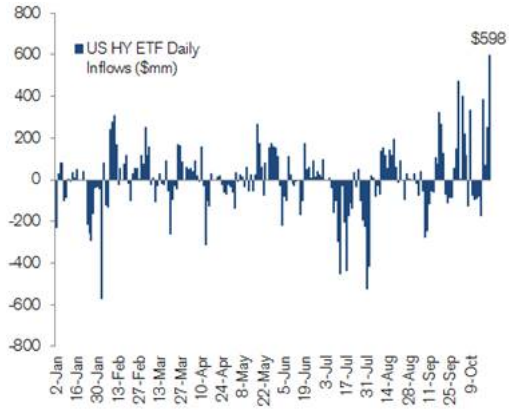
  - Economy – US economy appears to be meeting expectations. China PMI a bit stronger than expected.
  - Europe – EuroZone Manufacturing, Services and Composite beat expectations
  - Earnings – Meeting / exceeding expectations (although WSJ article this am is highlighting stagnant growth in the blue chips)
  - Eboloa – Quiet

  Eminis: +15. 10 year: 2.26%

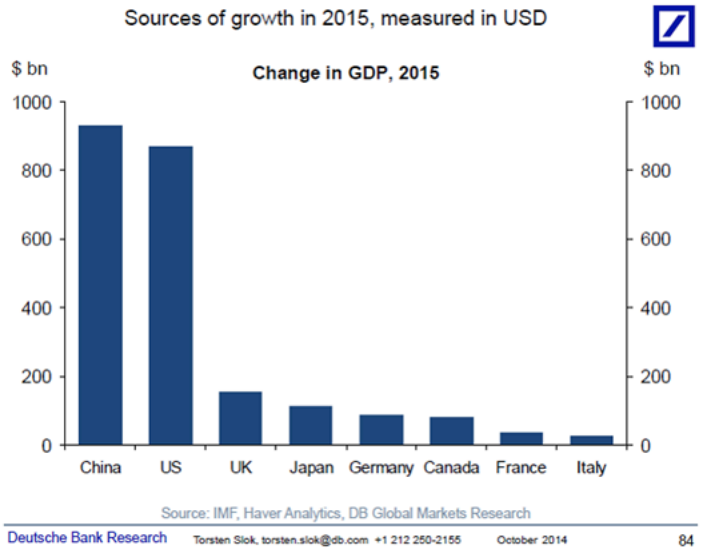
- Data: Initial claims come at 281k (vs. 283k exp). This is the lowest four week average since 2000. US flash PMI out today. Euro Area Manufacturing PMI rises to 50.7 (vs. 49.9 exp). China flash PMI at 50.4 (vs. 50.2)

- Earnings: GM (beats), CAT (beats), 3M (mixed), Comcast (beats), Occidental (misses)

- Credit: Loans were up ¼ yesterday as CLOs hit the market and retail outflows ebbed. Banks, CLOs and Insurance were the buyers. Retail sold small. To quote one trader: "people came out from under their desk". Expectations for a firm market tone today are based on a couple of desks who are expecting "to open "large warehouses" today along with a couple more CLO pricings". Technicals will continue to drive loan price action for the remainder of the year (see flow chart below). Today will probably be quiet with the LSTA conference absorbed most participants time. Also, the loan market is digging in and trying to understand / structure around the risk retention rules that were disseminated by regulators. US HY ETFs had the largest one day inflow in five years! Today HY is up another ½ (after a weak day yesterday in sympathy with the late day equity sell off).



- Chart(s) of the day:



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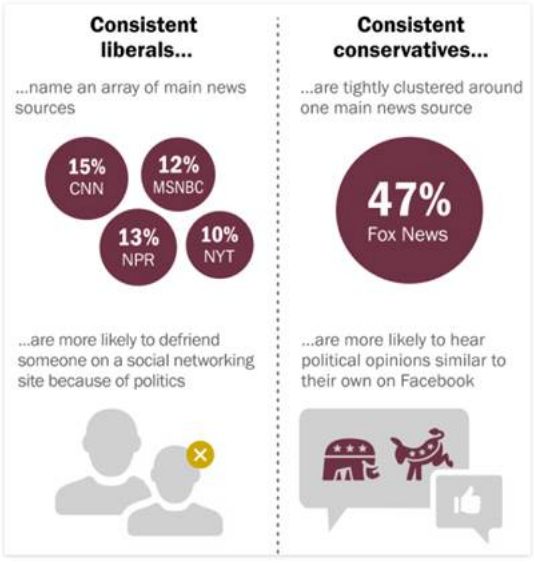
- Other:
  - More student loans… http://online.wsj.com/articles/education-department-to-expand-access-to-student-loans-1413983507?mod=wsj_nview_latest
  - How Quantitative Easing Contributed to the Nation's Inequality Problem http://dealbook.nytimes.com/2014/10/22/how-quantitative-easing-contributed-to-the-nations-inequality-problem/
  - Trading systems under strain http://uk.reuters.com/article/2014/10/22/uk-markets-trading-volatility-analysis-idUKKCN0IB2N220141022
  - Style drift? http://online.wsj.com/articles/hedge-funds-add-to-venture-capital-bounty-1414021436?mod=wsj_nview_latest
  - We need Pew to tell us this?


Consistent liberals...
...name an array of main news sources
15% CNN
12% MSNBC
13% NPR
10% NYT
...are more likely to defriend someone on a social networking site because of politics
Consistent conservatives...
...are tightly clustered around one main news source
47% Fox News
...are more likely to hear political opinions similar to their own on Facebook

- HY: 106 ½ (+3/8)
- IG: 66 ½ (-1 ½)
- CSLLI: -0.25% / 2.18% ytd

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